

**UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT**

Rural Business Cooperative Service  
Rural Housing Service  
Rural Utilities Service

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For Administrative Use Only

Missouri AN NO. 1422 (1930-C)

March 31, 2004

TO: All Rural Development Managers and  
Community Development Managers

/s/  
FROM: Greg Branum  
State Director, Rural Development

SUBJECT: Bank Passbook Savings Rate for Rural Rental Housing Borrowers

PURPOSE/INTENDED OUTCOME:

To establish a state-wide passbook savings rate to be used by all RRH borrowers when determining their tenant's adjusted income on RD Form 1944-8. In the past, the Bank Passbook Savings Rate established varied from Area to Area which sometimes caused errors, particularly with those management companies which operated in more than one area. As a result of this administrative notice, there should be fewer calculation errors with tenant certifications.

COMPARISON WITH PREVIOUS AN:

This AN replaces Missouri AN No. 1403 (1930-C) which expired September 30, 2003.

IMPLEMENTATION RESPONSIBILITIES:

Based on surveys conducted by our Area Offices of local banks within their area, **the current Bank Passbook Savings Rate will be reduced to .65%**. To allow for sufficient time for borrower notification, this rate will not go into effect until June 1, 2004. This means tenant certifications with an effective date of June 1, 2004, will reflect a passbook savings rate of .65%. A copy of this administrative notice will be provided to all RRH borrowers with their next Project Worksheet and MFIS will be updated to reflect this rate. Borrowers/management agents who transmit through Industry Interface or MINC will be notified to verify that their software program is reflecting the correct passbook savings rate.

This Bank Passbook Savings Rate will be reviewed every 6 months to determine if the established rate is still appropriate. We will notify the Area Offices in the future when to conduct this survey.

EXPIRATION DATE: September 30, 2004

FILING INSTRUCTIONS: Preceding  
Rural Development Inst. 1930-C